Subcommittee, Committee on Health and Human Services
Iowa State Capitol
Des Moines, IA 50319

Re: Support for SSB 1074 (HSB 99)– Make All Copays Count

February 5, 2025

Chair Klimesh and Committee Members,

On behalf of more than 574,000 Iowa residents with doctor-diagnosed arthritis, thank you for the opportunity to submit testimony in **support of SSB 1074 (HSB 99)**, legislation that addresses copay accumulator policies in Iowa to ensure that third-party patient copay assistance – a **payment** provided on behalf of eligible patients with chronic or terminal conditions to help them afford their prescribed medications – counts towards patients' annual out-of-pocket cost-sharing obligations.

Copay accumulator programs prevent any co-payment assistance that may be available for high-cost specialty drugs from counting towards a patient's deductible or maximum out-of-pocket expenses. Many pharmaceutical manufacturers offer co-pay cards that help cover a patient's portion of drug costs. Traditionally, pharmacy benefit managers have allowed these co-payment card payments to count toward the deductible required by a patient's health insurance plan. With an accumulator adjustment program, patients are still allowed to apply the co-payment card benefits to pay for their medications up to the full limit of the cards, but when that limit is met, the patient is required to pay their full deductible before cost-sharing protections kick in.

Currently, the state of Iowa does not have a law to ensure that health insurers count co-payment assistance towards a patient's cost-sharing requirements. Now more than ever, it will be important for the Iowa State Legislature to act given ALL (3 out of 3) of marketplace insurers in the state have copay assistance diversion policies.[1]

Legislation is necessary on this issue as patients are often unaware they are enrolled in one of these programs until they go to the pharmacy counter and realize they must pay the full cost of their medication, which can lead them to abandon or delay filling their prescription. These programs can be called different names, are often marketed as a positive benefit, and are disclosed many pages into plan materials, leading to a lack of awareness about them to patients.

[1] Institute, T. A. (2024). 2024 TAI Report: Copay Accumulator Adjustment Programs. National Policy Office. Washington, DC: The Aids Institute. Retrieved from https://www.theaidsinstitute.org/copays/TAI-copay-report-2024

In a recent Arthritis Foundation survey, 37% of patients reported they had trouble affording their out-of-pocket costs. Of those, 54% say they have incurred debt or suffered financial hardship because of it. The Arthritis Foundation also surveyed in 2017 asking patients about accumulator programs and found that if patients are faced with a large, unexpected charge for a prescription drug, the top three reactions would be: abandoning or delaying their prescription fill; lengthening the time between doses; and asking their provider to switch to another drug.

SSB 1074 (HSB 99) resolves this issue by simply ensuring that when calculating a patient's overall contribution to any out-of-pocket maximum or any cost-sharing requirement, a health plan must include any amounts paid by the patient or paid on behalf of the patient by another person or third party.

Currently, 21 states, DC and Puerto Rico have enacted laws that require insurers to count third party payments, including copay assistance, towards cost-sharing limits. Further, Minnesota and Nevada have also taken regulatory steps to issue guidance to plans to remove accumulator programs.

The Arthritis Foundation thanks the committee for their consideration of SSB 1074 (HSB 99) to add Iowa to the list of states ensuring ALL copays count and urges all committee members to support this critical legislation.



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